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CENTRAL INTELLIGENCE AGENCY

Office of the Director

61-268

13 January 1961

/ Hon. Livingston P. Merchant  
Under Secretary for Political Affairs  
Department of State

Attached is a copy of the cable  
from Messrs. Bissell and Fitzgerald  
about which Mr. Dulles spoke to you  
this morning.

[Redacted]  
Executive Officer

25X1

[Redacted]  
Attachment

cc: DCI

ER

JSEA

10 January 1961

TO: Director

FROM: Richard M. Bissell and Desmond FitzGerald

25X1

1. SESSION [REDACTED] AFTERNOON 9 JAN LARGELY  
DEVOTED ANALYSIS FACTORS LEADING LAOTIAN CRISIS,  
POSSIBLE COURSES FUTURE U.S. ACTION AND EFFECT  
LOSS OF LAO WOULD HAVE ON OTHER FAR EAST NATIONS.

2. CONSENSUS [REDACTED] THAT OUTRIGHT 25  
MILITARY DEFEAT U.S. SUPPORTED FORCES WOULD GRAVELY  
AFFECT U.S. PRESTIGE AND DISPOSITION ALLIES RELY  
FURTHER ON U.S. GUARANTEES. FORESEEN SPECIFICALLY  
WAS EARLY NEUTRALIZATION THAILAND, MOST SERIOUS  
MILITARY AND POLITICAL UNDERMINING SOUTH VIETNAM  
AND ECLIPSE ANTI-COMMUNIST FORCES INDONESIA.  
CONFIDENCE IN U.S. STRENGTH AND DETERMINATION  
EXPECTED SUFFER MAJOR IMPAIRMENT IN ALL NEIGHBORING  
COUNTRIES AND TO NOT MUCH LESS DEGREE IN SOUTH KOREA,  
JAPAN AND PHILIPPINES. EFFECT OF LOSS OF LAOS THROUGH  
PATHET LAO EROSION FOLLOWING SOME FORM POLITICAL  
SETTLEMENT ESTIMATED AS EQUALLY DISASTROUS THOUGH  
PERHAPS SLOWER IN TAKING EFFECT.

3. WHILE [REDACTED] EXPRESSED VARYING VIEWS  
MEASURES MOST LIKELY HOLD LINE IN LAOS, WE IMPRESSED  
BY THEIR CONSENSUS THAT COMMUNIST VICTORY THAT  
COUNTRY INEVITABLY DESTRUCTIVE OF U.S. POSITION IN  
SOUTHEAST ASIA. SUGGEST DULLES CONSIDER CALLING  
TO ATTENTION ODACID POLICYMAKERS EXTREME SERIOUSNESS  
OF AN OUTCOME THERE WHICH WOULD BE REGARDED AS  
DEFEAT FOR U.S.

END OF MESSAGE